

APRIL 03, 2023

Joint Statement on U.S.-EU Task Force on Energy Security

Progress report and outlook 2022-2023

1. ACCOMPLISHMENTS AND MILESTONES

One year ago this week, the United States and the European Union (EU) stood up a joint U.S.-EU Task Force on Energy Security launched by President Biden and President von der Leyen. The Task Force has made major progress in meeting its goals to reduce the EU's reliance on Russian energy, including by diversifying its natural gas supplies in alignment with its climate objectives and reducing its overall demand for natural gas.

The United States more than doubled its target to ensure delivery of an additional 15 billion cubic meters (bcm) of liquefied natural gas (LNG) to the EU. Last year, U.S. exports to the EU were 56 bcm, up from 22 bcm in 2021. The EU was the largest destination for U.S. LNG exports, accounting for more than 52 percent of supplies. At the end of 2022, Russian gas accounted for only 16 percent of the EU's gas imports, down from 37 percent in March 2022.

Between August 2022 and January 2023, the EU reduced its overall demand of natural gas by 19 percent, including by lowering electricity use, improving energy efficiency in the residential sector, identifying new digital solutions to help consumers save money, and completing other demand-side measures.

The U.S.-EU Task Force on Energy Security builds on long-standing, transatlantic cooperation under the U.S.-EU Energy Council and is an outcome of the joint commitment to reduce the EU's dependency on Russian energy and accelerate the global transition to clean energy in the wake of unjustified and unprovoked Russian military aggression on Ukraine. The United States and the EU are committed to meeting the goals of

the Paris Agreement, achieving the objective of net zero emissions by 2050, and keeping a 1.5 degrees Celsius limit on temperature rise within reach.

The Task Force provides an important platform for a regular exchange of information between the United States and the European Commission. To that end, the Task Force monitors the energy security situation in the EU and neighbouring countries, and progress on reducing dependence on fossil fuels. The Task Force has discussed global LNG markets and market projections, the regulatory environment and permitting outlook in the United States and the EU, the development of U.S. LNG export capacities, the reinforcement of EU LNG infrastructure, and the EU Energy Platform and Joint Purchasing. Further, the Task Force has helped to identify solutions for addressing emergency energy security objectives in the EU to ensure appropriate levels of gas storage ahead of winter seasons.

Recognizing that clean energy as well as energy efficiency, and demand flexibility measures are essential to enhancing energy security and accelerating the energy transition, the Task Force has exchanged information on policy and market solutions to accelerate the deployment of energy efficiency technology, heat pumps, smart thermostats and related awareness raising activities among consumers and relevant stakeholders. The Task Force also discussed solutions for reducing gas and electricity use and costs through flexible demand response mechanisms that reward customers for reducing or shifting their energy usage.

The meetings of the Task Force are chaired by Björn Seibert, Head of Cabinet of the European Commission President, and Amos Hochstein, U.S. Senior Advisor for Energy Security. Ditte Juul Jørgensen, European Commission Director General for Energy, and Sarah Ladislav, Special Assistant to the President and Senior Director for Climate and Energy at the White House National Security Council also play a leadership role. The Task Force reports to President von der Leyen and President Biden. The meetings of the Task Force are also attended by senior representatives of the U.S. Department of State, the U.S. Department of Energy, the European Commission Directorate General of Energy as well as by representatives of the European External Action Service. These meetings also include private sector representatives and NGOs to hear diverse perspectives that are important for these topics.

2. NEXT STEPS AND OUTLOOK

During 2023, the Task Force will continue to focus on the energy market shocks and high energy prices caused by Putin's war of aggression against Ukraine. Russia uses energy as a weapon to undermine European security. Task Force priorities for 2023 will include: 1) continuous assessments of LNG markets and ensuring U.S. LNG deliveries to Europe of 50 bcm in 2023, 2) reduction of methane emissions, and 3) energy savings and efficiency measures.

In the coming months, the Task Force will continue to work on keeping a high level of U.S. LNG supplies to Europe in 2023 of at least 50 bcm. This is necessary given the challenging supply situation and the need to ensure storage filling for the next winter 2023-24.

The EU Energy Platform will launch its first joint tenders under the Aggregate EU, a new means of demand aggregation and joint purchasing, in May 2023. Such tenders will be open to all non-Russian gas sellers. The Task Force has facilitated engagement with the U.S. LNG industry on the EU Energy Platform and its upcoming implementation to attract U.S. LNG to Europe.

Further, the Task Force will help to implement U.S. and EU efforts to reduce methane emissions, both in bilateral trade and at the global level, by supporting domestic and international measures to promote increased monitoring, reporting, and verification, as well as transparency, for methane emissions data in the fossil fuel sector. As discussed at the Task Force meeting in November 2022, both sides also plan to pursue initiatives to reduce flaring, venting, and leakage in oil and gas value chains, including through innovative purchasing frameworks to incentivize the capture of this gas to bring to market such as the EU's proposed "you collect, we buy" approach. The Task Force will further facilitate these efforts to reduce methane emissions and increase the liquidity of natural gas that minimizes flaring, methane, and CO2 emissions across the value chain.

Recognizing the importance of energy efficiency and demand flexibility as key contributors to enhancing energy security, the United States and the

European Commission are preparing a series of further sub-dialogues in the energy savings work stream. Starting in early 2023, the sub-dialogues will explore deeper cooperation and ways to incentivize utilities and consumers to implement short- and medium-term energy efficiency solutions for reducing electricity and gas use, shifting demand from peak to off-peak hours, and targeted digital solutions to help save consumers money on their bills.

The Task Force also will facilitate the exchange of best practices on energy savings and energy efficiency schemes and organize a dedicated conversation around implemented and planned policies for demand response by EU Member States. These measures will build on Europe's impressive success in reducing its energy use as a means of enhancing its energy security. Europe has demonstrated notable progress in completing large-scale clean energy infrastructure projects on an accelerated timeline to respond to the energy crisis, and the Task Force will explore opportunities to share best practices to ensure the continued rapid deployment of large-scale clean energy technologies throughout the EU. In addition, both sides intend to organize a high-level Business Roundtable on Energy Savings and Renewables on 3 April 2023 in connection with the Task Force and back-to-back with the U.S.-EU Energy Council on 4 April 2023.

The Task Force will continue its work as determined by President von der Leyen and President Biden at their meeting on 10 March 2023.

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